

NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2013
(With Comparative Totals, June 30, 2012)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 15 2014**

NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2013
(With Comparative Totals, June 30, 2012)

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Natchitoches, Louisiana
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Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish School Board, Natchitoches, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the government, as listed in the table of contents. I did not audit the Statement of Fiduciary Net Position (Statement G) - School Activity Agency Fund, which represents 100 percent of the assets of the agency fund. That statement was audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the School Activity Agency Fund, is based solely on the report of other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Independent Auditor's Report
(Continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

UNMODIFIED OPINIONS

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

I have previously audited the June 30, 2012, financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated December 19, 2012. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER MATTERS

Accounting principles generally accepted in the United States of America require that the supplementary information (Part I & II), as listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express and opinion or provide any assurance.

OTHER INFORMATION

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Natchitoches Parish School Board
Natchitoches, Louisiana
Independent Auditor's Report
(Continued)**

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, I have also issued my report dated December 23, 2013, on my consideration of the internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

Herbie W. Way
Herbie W. Way
Alexandria, Louisiana
December 23, 2013

REQUIRED SUPPLEMENTAL INFORMATION
PART I

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis
June 30, 2013

FINANCIAL HIGHLIGHTS

The basic financial statements of the Natchitoches Parish School Board, as of and for the year ended June 30, 2013, with comparative information for the year ended June 30, 2012, provides the following insights into the financial position and the results of operations.

The following table presents a comparison of fund balances between current year and prior year:

Table 1
Governmental Funds
Statement C - Fund Balances
June 30, 2013 and 2012
(in millions)

Governmental Funds	June 30	
	2012	2013
Major Funds:		
General Fund	\$17.935	\$16.748
School Food Service Fund	.438	.015
ESEA Title I	N/A	N/A
Nonmajor Funds	4.334	4.261

The following table presents a comparison between current year and prior year:

Table 2
Governmental Funds
Statement E - Expenditures by Function
June 30, 2013 and 2012
(in millions)

Expenditures by Function	June 30	
	2012	2013
Instructional programs	\$42.673	\$41.874
Support programs	22.859	22.682
Non-instructional programs	4.036	4.184
Debt service programs (net of refunding bond issues)	3.393	8.391

The 6% increase in expenditures resulted from an overall increase in operating costs relating to salaries and related benefits, especially as it relates to the funding of retirement programs and the advance refunding of general obligation bonds.

USING THIS ANNUAL REPORT

The school board's basic financial statements consists of a series of financial statements that show information for the school board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the school board as a whole and present a longer-term view of the school board's finances. For the school board's governmental activities, these statements report how the school board finances its services in the short-term as well as what remains for future spending. Fund statements may also provide insights into the school board's overall financial position.

Fund financial statements also report the school board's operations in more detail than the government-wide financial statements by providing information about the school board's most significant funds, such as the general fund, the School Food Service Fund, and the Title I (Federal program). The remaining statement, the Statement of Fiduciary Net Position, presents financial information about activities for which the school board acts solely as an agent for the benefit of others.

See Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received and/or paid. These statements present the governmental activities of the school board which comprises all of the school board's services which include, instruction, plant services, transportation of students, and school food services. Property taxes, sales taxes, State Minimum Foundation Program funds, and federal and state grants finance these activities.

These statements report the school board's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as a way to measure the school board's financial position. Increases or decreases in the school board's net position, as reported in the Statement of Activities, are an indicator of whether the school board's financial position is improving or deteriorating. The difference between revenues and expenses presents the school board's operating results; however, the school board's objective is to provide services to the students, and not to generate profits as a commercial enterprise. Consideration should also be given to other nonfinancial factors, such as the quality of education provided and the safety of the students, to assess the overall financial condition of the school board.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detail information about the most significant funds of the school board, but not the school board as a whole. Some funds are required to be established by State law and bond covenants; however, the school board establishes other funds to enable it to control and manage financial resources for particular purposes or to demonstrate that it is meeting legal requirements for the expenditure of certain taxes, grants, and other restricted revenues.

The school board's services are reported in governmental funds which focus on showing how financial resources flow into and out of funds and the balances remaining at year-end that may be available for future spending, using the modified accrual basis of accounting, which measures cash and other financial assets that may be readily converted to cash. This basis of accounting provides a detailed short-term view of the school board's operations and the services it provides. The governmental fund information enables financial statement users to determine whether there are more or fewer financial resources that can be spent in the near future to finance the school board's programs. The relationship between governmental activities reported in the government-wide financial statements (Statement A and B) and the governmental funds (Statement C and E) in a reconciliation on Statements D and F.

FIDUCIARY RESPONSIBILITIES

The school board is the trustee, or fiduciary, for the student activity funds. Fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These financial activities are excluded from the school board's other financial statements because they cannot be used to finance its operations. The school board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

See Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The analysis below focuses on the net Position (Table 3) and the changes in net position (Table 4) of the school board's governmental activities.

Table 3
Statement A - Net Position
June 30, 2013 and 2012
(in millions)

	Governmental Activities	
	June 30	
	2012	2013
Current and other assets	\$34.736	\$32.558
Capital assets (net of accumulated depreciation)	34.597	33.287
Total assets	<u>\$69.333</u>	<u>\$65.757</u>
Current and other liabilities	\$12.633	\$11.982
Long-term liabilities	33.495	34.575
Total liabilities	<u>46.128</u>	<u>46.477</u>
Net position:		
Restricted	22.774	23.148
Unrestricted (deficit)	.431	(4.848)
Total net position	<u>\$23.205</u>	<u>\$19.188</u>

The deficit of \$3.077 million in unrestricted net position of governmental activities represents the accumulated results of all past year's operations and is a result of the recognition of other postemployment benefits (employee healthcare insurance) in accordance with GASB 45.

Table 4
Statement B - Changes in Net Position
For the Year Ended June 30, 2013 and 2012
(in millions)

	June 30	
	2012	2013
Revenues:		
Program revenues:		
Charges for services	\$1.598	\$1.529
State and Federal grants	12.823	12.816
General revenues:		
Ad valorem taxes	7.233	9.848
Sales taxes	15.482	11.793
State equalization	34.984	34.266
State and federal grants	.817	.112
Other	2.522	1.772
Total revenues	<u>75.451</u>	<u>70.336</u>

See Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

	June 30	
	2012	2013
Expenses:		
Instructional	45.208	45.544
Support services	24.504	24.328
Non-Instructional	4.043	4.192
Interest on long-term debt	.607	.376
Total expenses	74.362	74.448
Increase (decrease) in net position	\$1.089	\$(4.104)

As reported in the Statement of Activities, the cost of all governmental activities of the school board this year was \$74.440 million; however, the amount that taxpayers ultimately financed for these activities through school board taxes was only \$61.096 million because some of the cost was paid by those who benefitted from the programs (\$.529 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$12.816 million). The remaining "public benefit" portion of governmental activities were financed with \$56.991 million in State Minimum Foundation Program funds, general sales and use taxes, ad valorem property taxes, and with other revenues such as interest and general entitlements.

The table below presents the cost of each of the school board's largest functions, as well as each programs net cost (total cost less revenues generated by the activities) of these functions. Providing this information allows users to consider the cost of each function in comparison to the benefits provided by that function.

Program Type	Governmental Activities			
	June 30, 2012		June 30, 2013	
	Total Cost of Services	Net Cost Of Services	Total Cost of Services	Net Cost of Services
Instructional	\$45.209	\$39.461	\$45.544	\$39.086
Support services	24.503	20.296	24.328	22.022
Non-Instructional	4.043	(.415)	4.192	(.388)
Interest on debt	.607	.607	.376	.376
Totals	\$74.362	\$59.949	\$74.440	\$61.096

As was noted earlier, the school board uses funds to assist in controlling and managing financial resources for particular purposes. This approach not only improves accountability over the resources from taxpayers and others but it provides additional insight into the school board's overall financial position.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the year, the school board revised its budget as additional information becomes available and to deal with changes in revenues and expenditures. Schedules reporting the school board's original and final budget amounts, of its major funds, compared with actual amounts are presented as supplementary information in Part II of the financial report.

See Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets (net of accumulated depreciation) - at June 30, 2013, the school board has invested \$33.550 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease of approximately \$1.571 million.

Capital Assets at Year-End

	Governmental Activities	
	2012	2013
Land	\$1.300	\$1.300
Buildings	32.585	30.956
Furniture and equipment	.712	.771
Totals	<u>\$34.597</u>	<u>\$33.027</u>

Debt - at June 30, 2013, the school board has \$12.301 million in certificates of indebtedness and general obligation bonds outstanding, this compares to \$14.805 million outstanding at June 30, 2012, a decrease of approximately 17%.

Outstanding Debt, at Year End

	Governmental Activities	
	2012	2013
Certificates of indebtedness	\$1.230	1.045
General obligation bonds	13.575	11.256
Total	<u>\$14.805</u>	<u>\$12.301</u>

The schools board's general obligation bond's, backed by the school board, carry a bond rating (Moody's) of Aaa. The State of Louisiana limits the amount of general obligation debt that parishes may issue to 50 per cent of the assessed valuation of all taxable property within the parish. The school board's outstanding general obligation debt of \$11.256 million is significantly below the statutorily-imposed limit.

Other obligations include accrued vacation pay and sick leave and other post employment benefits (life/health insurance). Vacation pay and sick leave totaled \$1.853 million at June 30, 2013, a net decrease of \$.021 million from the prior year. Additionally, other postemployment benefits (life/health insurance) totaled \$19.450 million at June 30, 2013, a net increase of \$2.634 million. Detailed information on these long-term obligations is presented in the notes to the basic financial statements.

CONTACTING THE SCHOOL BOARD

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the school board's finances and to show the school board's accountability for the financial resources it receives. Questions about this report or requests for additional financial information should be directed to the Superintendent of Schools and/or the Director of Business Affairs, at the Natchitoches Parish School Board, 310 Royal Street, Natchitoches, LA 71457, telephone number (318) 352-2358.

See Independent Auditor's Report

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS
AS OF JUNE 30, 2013, AND FOR THE YEAR THEN ENDED
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012 AND FOR THE YEAR THEN ENDED)

Statement A

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, LouisianaStatement of Net Position
June 30, 2013
(With Comparative Totals, June 30, 2012)

	2013	2012
ASSETS		
Cash and cash equivalents	\$11,070,252	\$15,180,081
Investments	18,831,242	17,761,143
Receivables	2,569,576	1,692,541
Bus loans receivable		
Inventory	79,321	102,003
Capital assets (net of accumulated depreciation):		
Land	1,300,290	1,300,290
Construction in progress		
Buildings and improvements	30,956,458	32,585,106
Furniture and equipment	770,187	712,278
TOTAL ASSETS	\$65,577,326	\$69,333,442
LIABILITIES AND DEFERRED INFLOWS		
Accounts, salaries, and other payables	\$10,869,065	\$11,484,002
Interest payable	375,766	605,027
Total current liabilities	11,244,831	12,089,029
Deferred inflows - deferred revenues	656,849	544,233
Long-term liabilities:		
Due within one year	7,446,395	6,588,651
Due in more than one year	27,128,622	26,906,326
Total long-term liabilities	34,575,017	33,494,977
Total Liabilities and deferred inflows	46,476,696	46,128,239
NET POSITION		
Investment in capital assets (net of related debt)	20,725,935	19,792,674
Nonexpendable - food inventory	79,321	102,003
Restricted for debt service	2,343,114	2,879,783
Unrestricted	(4,047,739)	430,744
TOTAL NET POSITION	\$19,100,631	\$23,205,204

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Statement of Activities
For the Year Ended June 30, 2013
(With Comparative Totals For the Year Ended June 30, 2012)

(With Comparative Data for the Year Ended June 30, 2012)

		PROGRAM REVENUES			2013	2012
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS						
Governmental activities:						
Instruction:						
Regular programs	\$27,419,388		\$1,894,091		(\$25,525,297)	(\$26,418,159)
Special programs	11,285,083	\$4,645	3,911,418		(7,369,020)	(8,240,870)
Vocational programs	1,038,895		78,190		(960,705)	(1,018,262)
Adult and continuing education program	2,126				(2,126)	(3,316)
Other programs	5,798,405		569,791		(5,228,614)	(3,780,399)
Support services:						
Student services	3,174,805		895,770		(2,279,036)	(2,076,423)
Instructional staff support	3,080,372		921,747		(2,158,625)	(2,163,227)
General administration	2,972,990		183,638		(2,789,352)	(2,695,158)
School administration	3,262,725		562		(3,262,162)	(3,557,640)
Business services	728,020		91,570		(636,449)	(628,051)
Plant services	4,044,750	118,045	93		(3,926,612)	(4,366,057)
Student transportation services	6,282,812		18,748		(6,264,063)	(4,486,890)
Central services	781,923		76,320		(705,603)	(322,072)
Food services	4,181,801	406,731	4,173,777		398,706	415,322
Community service programs	10,676				(10,676)	
Interest on long-term debt	375,766				(375,766)	(607,470)
Total Governmental Activities	74,440,536	529,421	12,815,716	NONE	(61,095,399)	(59,948,672)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					6,495,723	4,656,038
Property taxes, levied for debt services					2,552,083	2,576,445
Sales and use taxes, levied for general purposes					11,792,760	15,482,135
State revenue sharing					207,411	207,185
Grants and contributions not restricted to specific purposes:						
Minimum Foundation Program					34,058,647	34,776,664
Federal grant programs					2,052	524,327
State grant programs					110,300	292,630
Interest and investment earnings					678,831	1,142,284
Miscellaneous					1,093,019	1,380,149
Total general revenues					56,990,827	61,037,857
Changes in net position					(4,104,572)	1,089,186
Net position - beginning of year					23,205,203	22,116,017
Net position - end of year					\$19,100,631	\$23,205,203

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013
(With Comparative Totals, June 30, 2012)

	GENERAL FUND	SCHOOL FOOD SERVICE FUND	TITLE I FUND	OTHER GOVERNMENTAL FUNDS	2013 TOTAL	2012 TOTAL
ASSETS						
Cash and cash equivalents	\$6,018,384	\$317,757	\$98,859	\$4,635,253	\$11,070,252	\$15,180,081
Investments, at fair value	18,176,631			654,611	18,831,242	17,761,143
Receivables	161,682	26,178	875,916	1,505,799	2,569,576	1,692,541
Interfund receivables	1,614,010			18,742	1,632,752	907,071
School food service inventory		79,321			79,321	102,003
TOTAL ASSETS	\$25,970,707	\$423,257	\$974,775	\$6,814,405	\$34,183,143	\$35,642,839
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts, salaries, and other payables	\$9,204,223	\$407,826	\$469,643	\$787,373	\$10,869,065	\$11,484,002
Interfund payables	18,742		505,132	1,108,878	1,632,752	907,071
Deferred revenues				656,849	656,849	544,233
Total Liabilities	9,222,965	407,826	974,775	2,553,099	13,158,665	12,935,306
FUND EQUITY						
Fund balances:						
Nonspendable - food inventory		79,321			79,321	102,003
Restricted for - debt service				2,343,114	2,343,114	2,879,783
Worker's compensation						
Committed for:						
Maintenance and operation				2,042,752	2,042,752	1,950,470
Capital outlay				171,118	171,118	172,993
Assigned for:						
Insurance loss	1,244,587				1,244,587	1,243,015
Contingencies	13,377,906				13,377,906	18,264,704
Unassigned	2,125,248	(63,890)		(295,678)	1,765,680	(1,905,434)
Total Fund Balances	16,747,741	15,431	NONE	4,261,306	21,024,478	22,707,533
TOTAL LIABILITIES AND FUND BALANCES	\$25,970,707	\$423,257	\$974,775	\$6,814,405	\$34,183,143	\$35,642,839

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2013
(With Comparative Totals, June 30, 2012)

		2013	2012
		-----	-----
Total Fund Balances - Governmental Funds		\$21,024,478	\$22,707,533
Cost of capital assets	\$72,856,454		
Less - accumulated depreciation	(39,829,519)	33,026,935	34,597,674

Elimination of interfund assets and liabilities:			
Interfund receivables	(1,632,752)		
Interfund payables	1,632,752	NONE	NONE

Liabilities:			
Compensated absences	(1,853,384)		
Bonds and certificates of indebtedness payable	(12,301,000)		
Accrued interest payable	(375,766)		
OPEB obligation	(19,449,720)		
LSERS privatization assessment	(970,913)	(34,950,783)	(34,100,004)
	-----	-----	-----
Net Position		\$19,100,631	\$23,205,203
		=====	=====

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GOVERNMENTAL FUNDSStatement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2013
(With Comparative Totals For the Year Ended June 30, 2012)

	GENERAL FUND	SCHOOL FOOD SERVICE FUND	ESEA TITLE 1	OTHER GOVERNMENTAL FUNDS	2013 TOTAL	2012 TOTAL
REVENUES						
Local sources:						
Taxes:						
Ad valorem	\$3,833,167			\$5,214,639	\$9,047,806	\$7,232,484
Sales and use	11,792,760				11,792,760	15,482,135
Tuition	4,645				4,645	8,400
Rentals, leases, and royalties	117,637		\$408		118,045	1,159,406
Interest earnings	678,831				678,831	1,142,284
Food services		\$406,731			406,731	422,621
Contributions and donations	310,682			744,285	1,054,967	1,380,149
State sources:						
Unrestricted grant-in-aid	34,201,889			64,169	34,266,058	34,983,849
Restricted grants-in-aid	64,788	520,501		479,736	1,065,025	1,285,074
Federal sources:						
Grants-in-aid - direct	323,069			112,816	435,885	437,790
Grants-in-aid - subgrants	29,160	2,879,960	3,158,551	5,359,486	11,427,158	11,916,926
Total revenues	51,356,629	3,807,192	3,158,959	11,975,131	70,297,911	75,451,117
EXPENDITURES						
Current						
Instruction:						
Regular programs	24,963,494		55	2,403,223	27,366,772	26,411,199
Special programs	7,163,587		2,185,485	1,914,356	11,263,428	13,441,292
Vocational programs	955,794			81,108	1,036,901	1,087,709
Adult and continuing education programs	2,122				2,122	4,060
Other programs	842,758		173,047	1,189,650	2,205,455	1,729,168
Support services programs:						
Pupil support services	2,204,095		158,066	806,552	3,168,713	3,433,450
Instructional staff services	2,053,228		443,138	578,096	3,074,461	3,332,528
General administration	1,219,511		1,790	120,461	1,341,762	1,434,366
School administration	3,150,653		562	105,248	3,256,464	3,564,122
Business services	613,931		1,065	111,627	726,623	708,776
Plant services	4,062,886		70	124	4,063,081	5,556,683
Student transportation services	4,668,789		15,002	1,586,965	6,270,755	4,507,216
Central services	704,102			76,320	780,422	321,499
Non-Instructional Services:						
Food service operations		4,173,777			4,173,777	4,035,831
Community service operations	10,656				10,656	
Facilities acquisition and construction services	13,957			10,340	24,297	61,969

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2013
(With Comparative Totals For the Year Ended June 30, 2012)

	GENERAL FUND	SCHOOL FOOD SERVICE FUND	ESEA TITLE 1	OTHER GOVERNMENTAL FUNDS	2013 TOTAL	2012 TOTAL
EXPENDITURES (Continued)						
Debt service:						
Principal retirement	\$227,214			\$2,425,000	\$2,652,214	\$2,611,000
Advance refunding escrow				5,150,948	5,150,948	
Interest and bank charges				563,063	563,063	720,510
Total expenditures	52,856,777	\$4,173,777	\$2,978,278	17,123,081	77,131,913	72,961,380
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,500,148)	(366,585)	180,681	(5,147,951)	(6,834,002)	2,489,736
OTHER FINANCING SOURCES (Uses)						
Operating transfers in	939,255		808,400	116,975	1,864,630	2,347,294
Operating transfers out	(626,833)	(56,436)	(989,081)	(192,280)	(1,864,630)	(2,347,294)
Sale of refunding general obligation bonds				5,189,000	5,189,000	
Payment to refunding escrow agent				(38,052)	(38,052)	
Total other financing sources (uses)	312,422	(56,436)	(180,681)	5,075,642	5,150,948	NONE
NET CHANGE IN FUND BALANCES	(1,187,726)	(423,020)	NONE	(72,309)	(1,683,055)	2,489,736
FUND BALANCE AT BEGINNING OF YEAR	17,935,467	438,451	NONE	4,333,615	22,707,533	20,217,797
FUND BALANCES AT END OF YEAR	\$16,747,741	\$15,431	NONE	\$4,261,306	\$21,024,479	\$22,707,533

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2013
(With Comparative Totals For the Year Ended June 30, 2012)

	2013	2012
	-----	-----
Total net change in fund balances - governmental funds	(\$1,683,055)	\$2,489,736
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the period:		
Capital outlays	\$190,199	
Depreciation expense	(1,760,939)	(1,664,902)

Payment of bond/certificates principal and advance refunding is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	2,398,849	2,611,000
In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(20,677)	(2,322)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	375,766	113,041
Net OPEB obligation in the Statement of Activities differs from the amount reported in the governmental funds because OPEB is recognized as an expenditure in the funds on a "pay-as-you-go" basis, and thus requires the use of current financial resources. In the Statement of Activities, however, OPEB obligations are recognized on an actuarial basis that includes the net OPEB obligation on an accrual basis.	(2,633,803)	(2,457,367)
Certain long-term liabilities in the Statement of Activity are recorded on the accrual basis of accounting but not reported in the governmental funds until paid.	(970,913)	
	-----	-----
Change in net position of governmental activities	(\$4,104,572)	\$1,089,186
	=====	=====

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 FIDUCIARY FUND - AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

Statement of Net Position, June 30, 2013
 (With Comparative Totals, June 30, 2012)

	2013	2012
	-----	-----
ASSETS		

Cash and cash equivalents	\$739,947	\$723,071
	=====	=====
LIABILITIES		

Deposits due others	\$739,947	\$723,071
	=====	=====

The notes to the financial statements are an integral part of this statement.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2013

INTRODUCTION

The Natchitoches Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Natchitoches Parish. The school board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The school board is comprised of eleven members who are elected from eleven districts for terms of four years.

The school board operates schools within the parish with a total enrollment of approximately 6,800 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Natchitoches Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the school board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the school board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The school board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the school board has a significant relationship.

C. FUNDS

The school board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the school board are classified into two categories: governmental and fiduciary, as follows:

Governmental Funds

Governmental funds account for all or most of the school board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the school board. The following are the school board's primary governmental funds:

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

General Fund -- the general operating fund of the school board and accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

Capital projects funds -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

The following Governmental Funds are reported as major funds of the school board:

General Fund - accounts for all financial resources, except those required to be accounted for in other funds.

School Food Service Fund - accounts for federal, state, and local funds, including fees, to provide meals for students of the school system.

ESEA Title I - accounts for federal funds received by the school district, the objective of which is to help local educational agencies and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards and provide assistance to States to ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet. The fund includes ESEA Title I (CFDA No. 84.010).

Fiduciary Fund Type

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the school board. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Position (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the school board as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Position at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the school board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which includes state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Federal commodities are recognized as revenues in the accounting period they are received.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Sales and use taxes are recorded in the month collected by the Natchitoches Parish Sales Tax Commission (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the school board.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the school board.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a 9-month period, but are paid over a 12-month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

Deferred Revenues

The school board reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the school board before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The school board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the director of finance, the superintendent, and the finance committee of the school board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its first meeting in September, the school board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the school board as a whole. The budgets are then adopted, and notice is published in the official journal.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the school board, budgetary comparisons are prepared and presented to the school board during a regular meeting. The school board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the school board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the final amended budget amounts.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the school board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the school board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the school board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the school board may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

J. INVENTORY

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the school board and commodities granted by the United States Department of Agriculture. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using a composite group rate which is applied to similar assets for the purpose of calculating depreciation expense. Interest costs on debt used to finance the construction of capital assets are not capitalized.

L. COMPENSATED ABSENCES

All 12-month employees earn 10 days of vacation leave each year. Upon separation, all unused vacation leave is forfeited.

All school board employees earn 10 days of sick leave each year. Sick leave for teachers and bus drivers may be accumulated without limitation, while all other employees are limited to 25 days accumulated sick leave. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teacher's Retirement, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefits computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six years of continuous service. Sabbatical leave benefits, being restricted in nature as a condition of the leave, are not subject to accrual and are recorded as expenditures in the period paid.

N. RESTRICTED NET POSITION

For government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position's use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

O. FUND EQUITY

The school board implemented the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of constraints placed on government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Nonspendable Fund Balance - amounts that are not in spendable form; i.e., inventory, prepaid expenses, etc.

Restricted Fund Balance - amounts constrained to specific purposes by their providers; i.e., grantors, bondholders, and higher levels of government through constitutional provision or enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes, by the board, using its highest level of decision-making authority. These fund balances can not be used for any other purpose unless the board takes the same highest level action to remove or modify the constraint.

Assigned Fund Balance - amounts the school board intends to use for a specific purpose. Intent is expressed by the board.

Unassigned Fund Balance - amounts that are available for unrestricted expenditure. Positive amounts are reported only in the General Fund.

The school board, establishes fund balance commitments and assignments by passage of an ordinance or resolution, typically uses restricted fund balances first, followed by committed, assigned, and unassigned fund balances when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

P. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the school board, which are either unusual in nature or infrequent in occurrence.

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. SALES TAXES

The Natchitoches Parish Sales Tax Commission is authorized to collect, within Natchitoches Parish, the following sales and use taxes for the benefit of the Natchitoches Parish School Board:

A one percent (1%) sales and use tax, the proceeds of the tax are dedicated for the operation, maintenance, and upgrading of the public schools in Natchitoches Parish. Effective August 1, 2003, with an expiration date of August 1, 2013.

A one-half of one per cent (1/2%) sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. Effective July 1, 1996, with no limit as to term and/or duration.

A one-half of one per cent (1/2%) sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. Effective July 1, 2004, with no limit as to term and/or duration.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

S. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEFICIT FUND EQUITY

The following individual funds have deficits in unreserved fund balance (net position) at June 30, 2013:

<u>Fund</u>	<u>Deficit Amount</u>
CSD No. 6 Building and Maintenance Fund	\$3,779
CSD No. 8 Building and Maintenance Fund	\$291,899

Management has initiated plans to eliminate the aforementioned deficits over the next several school years.

3. CASH AND CASH EQUIVALENTS

At June 30, 2013, the school board has cash and cash equivalents (book balance) as follows:

Governmental Funds

Interest-bearing demand deposits	\$9,073,366
Money market funds	<u>1,996,886</u>
Total Cash and Cash Equivalents - Governmental Funds	<u>11,070,252</u>

Agency Funds

Interest bearing demand deposits	<u>739,947</u>
Total Cash and Cash Equivalents	<u>\$11,810,199</u>

The collected bank balances (cash and cash equivalents), at June 30, 2013, are secured as follows:

<u>Description</u>	<u>Category</u>			<u>Bank</u>	<u>Book</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Balance</u>
Demand deposits	\$500,000		\$11,583,551	\$12,083,551	\$9,813,313
Money market funds	<u>NONE</u>	<u>\$1,996,886</u>		<u>1,996,886</u>	<u>1,996,886</u>
Totals	<u>\$500,000</u>	<u>\$1,996,886</u>	<u>\$11,583,551</u>	<u>\$14,080,437</u>	<u>\$11,810,199</u>

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the school board's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the school board's name.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

At June 30, 2013, the school board has the following investments:

Description	Category			Fair
	A	B	C	Value
Government securities	\$18,831,242	NONE	NONE	\$18,831,242

Category A includes investments that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the school board's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the school board's name.

5. RECEIVABLES

The receivables at June 30, 2013, are as follows:

Class of Receivable	General Fund	School Food Service Fund	ESEA Title I Fund	Other Governmental Funds	Total
Intergovernmental:					
State grants	\$161,682	\$26,178		\$87,778	\$275,639
Federal grants			\$875,916	1,403,364	2,279,280
Other				14,657	14,657
Totals	\$161,682	\$26,178	\$875,916	\$1,505,799	\$2,569,576

6. ACCOUNTS AND OTHER PAYABLES

The accounts and other payables at June 30, 2013, are as follows:

Classification	General Fund	School Food Service Fund	Title I Fund	Other Governmental Funds	Total
Accounts and related benefits payable	\$11,721	\$6,721		\$61,529	\$79,971
Salaries and withholdings payable	9,192,502	401,105	469,643	725,844	10,789,094
Total	\$9,204,223	\$407,826	\$469,643	\$787,373	\$10,869,065

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

7. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended June 30, 2013, is as follows:

	Land	Buildings and Improvements	Furniture and Equipment	Total
Balance, Beginning of Year	\$1,300,290	\$67,645,363	\$3,720,601	72,666,255
Additions			190,199	190,199
Balance, End of Year	\$1,300,290	\$67,645,363	\$3,910,801	\$72,856,454
Less - accumulated depreciation	NONE	(36,688,905)	(3,140,614)	(39,829,519)
Capital assets, net	\$1,300,290	\$30,956,458	\$770,187	\$33,026,935

8. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other school employees such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Teacher's Retirement System of Louisiana (TRS) -- consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The TRS issues a publicly available financial report that includes the financial statements and required supplementary information for the TRS. This report may be obtained by writing the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6646. Employer contributions, \$7,569,685, for the year ended June 30, 2013, \$7,882,370, for the year ended June 30, 2012, and \$6,630,935, for the year ended June 30, 2011, have been submitted in accordance with State law and the requirements of the retirement system.

Louisiana School Employees' Retirement System (LSERS) -- provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The LSERS issues a publicly available financial report that includes the financial statements and required supplementary information for the LSERS. This report may be obtained by writing the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484. Employer contributions, \$463,180, for the year ended June 30, 2013, \$471,490, for the year ended June 30, 2012, and \$404,701, for the year ended June 30, 2011, have been submitted in accordance with State law and the requirements of the retirement system.

9. OTHER POSTEMPLOYMENT BENEFITS

Post-Retirement Health Care and Life Insurance Benefits

The Natchitoches Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Natchitoches Parish School Board's employees become eligible for these benefits if they reach normal retirement age while working for the Natchitoches Parish School Board.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program, whose monthly premiums are paid jointly by the employee and the Natchitoches Parish School Board. There were approximately 544 retirees participating in the insurance program during this fiscal year.

Plan Description

The Natchitoches Parish School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an agent multiple-employer plan for financial reporting purposes and for this valuation.

The OGB "Medicare Advantage" plan has been assumed to apply to those employees after Medicare eligibility for purposes of this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System (LASERS), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the cost of the retiree life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

A financial report may be obtained by writing to Office of Group Benefits, 7389 Florida Boulevard, Suite 400, Baton Rouge, Louisiana 70806.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "Quick Links" - "Health Plans".

Funding Policy

Until June 30, 2009, The Natchitoches Parish School Board recognized the cost of providing post-employment medical and life benefits (Natchitoches Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. In 2012-2013, Natchitoches Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$3,689,297.

The Office of Group Benefits has sole authority over the plans and informs the School Board and plan members of their obligation in funding the plans.

	Medical & Life
Beginning Net OPEB Obligation (Asset)	\$16,815,917
Annual Required Contribution (ARC)	6,323,100
Current year OPEB Cost (net)	23,139,017
Contributions Made	(3,689,297)
Ending Net OPEB Obligation (Asset)	\$19,449,720

Funded Status and Funding Progress

In the fiscal year ending June 30, 2013, Natchitoches Parish School Board made no contributions to its post-employment benefits plan. The funding status is as follows:

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Actuarially accrued liability (AAL) - medical & life	<u>\$96,434,000</u>
Actuarial value of plan assets	<u>0.00</u>
Unfunded actuarial accrued liability (UAAL)	<u>96,434,000</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>
Covered payroll (active plan members)	<u>19,538,000</u>
UAAL as a percentage of covered payroll	<u>493.73%</u>

Actuarial accrued liability is defined as that portion, as determined by a particular actuarial cost method (Natchitoches Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2011-2013, the entire actuarial accrued liability was unfunded.

The schedule of funding progress presented as required supplemental information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The following table shows school board's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability, assuming a 4.00% discount rate (without prefunding), compounded annually:

Post- Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
Medical & life	06/30/2013	\$6,323,100	58.0%	\$19,449,720
Medical & life	06/30/2012	\$6,302,400	56.0%	\$16,815,917
Medical & life	06/30/2011	\$7,477,818	47.0%	\$14,358,550
Medical & life	06/30/2010	\$6,667,242	53.0%	\$10,425,143
Medical & life	06/30/2009	\$10,689,158	32.0%	\$7,268,037

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Natchitoches Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Natchitoches Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Natchitoches Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Actuarial Cost Method

The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Turnover Rate

Withdraw rates are based on which pension system the employee is a member. At June 30, 2013, approximately 60 employees were members of the Louisiana School Employees Retirement System with the remaining employees being members of the Teachers Retirement System of Louisiana. Detailed information of the rates for each age group within each retirement system are presented in the Actuarial Valuation Report of the State of Louisiana - Post-Retirement Benefit Plan for the Office of Group Benefits, dated April 2013. A copy of the report may be obtained by writing to Office of Group Benefits, 7389 Florida Boulevard, Suite 400, Baton Rouge, Louisiana 70806.

Post-employment Benefit Plan Eligibility Requirements

It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the D.R.O.P. This consists of a three year D.R.O.P. period plus an additional two year delay. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System (LASERS), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. Entitlement to benefits continue through Medicare to death. Investment Return Assumption (Discount Rate) GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

10. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions for the year ended June 30, 2013:

	Bonds and Certificates of Indebtedness	Compensated Absences	Other Post Employment Benefits	LSERS Privatization Assessment	Total
Long-term debt payable, beginning of year	\$14,805,000	\$1,874,060	\$16,815,917		\$33,494,977
Additions	5,189,000		6,323,100	\$970,913	12,483,013
Deductions	(7,693,000)	(20,677)	(3,689,297)		(11,402,973)
Long-term debt payable, end of year	\$12,301,000	\$1,853,384	\$19,449,720	\$970,913	\$34,575,017
Long-term Liabilities					
Due within one year	\$2,502,000	\$463,346	\$3,510,136	\$970,913	\$7,446,395
Due in more than one year	9,799,000	1,390,038	15,939,584		27,128,622
Total	\$12,301,000	\$1,853,384	\$19,449,720	\$970,913	\$34,575,017

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

The individual issues, which are serial bonds, payable from their respective school district debt service funds and certificates of indebtedness, payable from the General Fund, are as follows:

Description	Original Issue	Interest Rates %	Final Payment Date	Interest To Maturity	Principal Outstanding
Consolidated School District No. 7:					
February 25, 2003	\$5,250,000	2.000 - 3.875	01-Mar-2014	\$11,625	\$300,000
September 18, 2012	5,189,000	2.180	01-Mar-2023	646,588	5,146,000
School District 9:					
September 7, 2005	13,080,000	3.000 - 5.000	01-Mar-2017	484,560	5,375,000
June 25, 2009	1,250,000	3.000 - 5.000	25-Jun-2017	29,892	435,000
Total Bonded Debt	24,769,000			1,172,665	11,256,000
General Fund - Certificates of Indebtedness - April 30, 2003	2,545,000	3.680 - 3.690	01-Sep-2017	99,169	1,045,000
Total Bonds and Certificates	\$27,314,000			\$1,271,834	\$12,301,000

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the General Fund. The bonds and certificates of indebtedness are due as follows:

Bonds and Certificates of Indebtedness	Principal Payments	Interest Payments	Total
Year Ended June 30:			
2014	\$2,502,000	\$375,766	\$2,877,766
2015	2,293,000	291,697	2,584,697
2016	2,388,000	213,234	2,601,234
2017	1,611,000	129,942	1,740,942
2018	729,000	75,699	804,699
2019-2023	2,778,000	185,495	2,963,495
Total	\$12,301,000	\$1,271,832	\$13,572,832

In accordance with R.S. 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2013, the statutory limit is \$152,717,275 and outstanding bonded debt totals \$11,256,000.

LSERS Privatization Assessment

Louisiana Revised Statutes 11:1195.1 and 11:1195.2 states that if an employer terminates a group of employees belonging to this system by eliminating the positions held by those employees through privatizing, outsourcing, contracting the service with a private employer, or by other means, then the employer shall remit that portion of the unfunded accrued liability existing on the date of termination attributable to the employees being terminated. In December 2013, the Louisiana School Employees Retirement System, under the provisions of the aforementioned statutes, assessed the school board with privatization costs totaling \$970,913.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

Bonded Debt - Defeasance

The school board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the school board's financial statements. On June 30, 2013, a total of \$13,496,000 of bonds outstanding are considered defeased.

11. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables, reported on the fund financial statements are as follows:

Fund	Interfund	
	Receivable	Payable
General Fund	\$1,614,010	\$18,742
Title I Fund	18,742	\$505,132
Other Governmental Funds		1,108,878
Total	\$1,632,752	\$1,632,752

12. RISK MANAGEMENT

The school board is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the school board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the school board has initiated a risk management program for workers' compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$200,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

13. PERFORMANCE-BASED ENERGY EFFICIENCY CONTRACT

In prior years, the School Board entered into an energy performance contract with Trane, Inc. (Energy Service Company or ESCO) for the purpose of the purchase and installation of an energy saving scope of work. ESCO installed equipment designed to save energy and reduce related costs for certain property and buildings owned by the School Board.

The Louisiana Attorney General issued an opinion (A. G. Opinion Number 07-0002) regarding a similar contract with another school board and concluded that because the operational stipulated savings are not guaranteed by the contractor, the contract does not meet the statutory definition of a performance-based energy efficiency contract.

The contractor sued the other school board in the 18th Judicial District Court for payment relating to the contract. The court found for the School Board and determined that the contract was not fully guaranteed and was found to be null and void. The contractor has appealed to the First Circuit Court of Appeal, writ denied and the Louisiana Supreme Court, writ denied.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Notes to the Basic Financial Statements
(Continued)

The contract of the Natchitoches Parish School Board, in addition to the operational stipulated savings clause, the contract also contains a verifiable (measured) energy savings clause. The School Board entered into the contract based solely on the savings provided by the verifiable (measured) energy savings clause without consideration for the amount of the stipulated savings clause. Management of the School Board determined that their verifiable (measured) savings is more than the annual payments being made, and they will continue to monitor the outcome of the court case and related information.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	17,987,009	17,987,009	\$17,987,009	NONE
Resources (inflows)				
Local sources	17,418,262	17,418,262	16,737,723	(680,539)
State sources	34,696,639	34,696,639	34,266,677	(429,962)
Federal sources	488,968	488,968	352,229	(56,739)
Other financing sources	2,142,190	2,142,190	939,255	(1,202,935)
Amounts available for appropriations	72,653,068	72,653,068	70,282,893	(2,370,175)
Charges to appropriations (outflows)				
Current:				
Instructional programs	32,381,958	32,381,958	33,975,343	(1,593,385)
Support services programs	17,974,714	17,974,714	18,739,393	(764,679)
Facilities acquisition and construction	10,725	10,725	13,957	(3,232)
Principal, interest and bank charges	227,464	227,464	227,214	250
Other financing uses	2,000,000	2,000,000	560,492	1,439,508
Total charges to appropriations	52,594,861	52,594,861	53,516,399	(921,538)
BUDGETARY FUND BALANCES - ENDING	\$20,058,207	\$20,058,207	\$16,766,494	(\$3,291,713)

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 SCHOOL FOOD SERVICE FUND

Budgetary Comparison Schedule
 For the Year Ended June 30, 2013

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$438,451	\$438,451	\$438,451	NONE
Resources (inflows)				
Local sources	\$426,887	\$426,887	486,731	(20,156)
State sources	540,753	496,749	520,501	23,752
Federal sources	2,886,446	2,930,450	2,879,960	(50,490)
Operating transfers in				
Amounts available for appropriations	4,292,537	4,292,537	4,245,643	(46,894)
Charges to appropriations (outflows)				
Current - non-instructional programs	4,133,759	4,133,759	4,173,777	(40,018)
Operating transfers out			56,436	(56,436)
Total charges to appropriations	4,133,759	4,133,759	4,230,213	(96,454)
BUDGETARY FUND BALANCES - ENDING	\$158,779	\$158,779	\$15,431	(\$143,348)

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
ESEA TITLE I FUND

Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	NONE	NONE	NONE	NONE
Resources (inflows)				
Local sources - miscellaneous			\$408	\$408
Federal sources	\$3,035,227	\$3,035,227	3,158,551	123,324
Operating transfers in	927,172	911,546	808,400	(103,146)
Amounts available for appropriations	3,962,399	3,946,773	3,967,359	20,586
Charges to appropriations (outflows)				
Current:				
Instructional programs	3,180,438	3,084,812	2,358,586	726,226
Support services programs	644,261	644,261	619,692	24,569
Other financing uses	217,700	217,700	989,081	(771,381)
Total charges to appropriations	3,962,399	3,946,773	3,967,359	(20,586)
BUDGETARY FUND BALANCES - ENDING	NONE	NONE	NONE	NONE

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Retiree Healthcare Plan
 June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2013	\$0	\$96,464,000	\$96,464,000	0.00%	\$19,538,000	494%
June 30, 2012	\$0	\$90,320,800	\$90,320,800	0.00%	\$23,655,100	382%
June 30, 2011	\$0	\$120,339,900	\$120,339,900	0.00%	\$22,478,700	536%
June 30, 2010	\$0	\$123,131,800	\$123,131,800	0.00%	\$22,441,700	549%
June 30, 2009	\$0	\$146,522,845	\$146,522,845	0.00%	\$24,159,904	606%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2013

FIDUCIARY FUND TYPE - AGENCY FUNDS

SCHOOL ACTIVITY FUND

The School Activity Agency Fund accounts for monies generated by the schools and organizations within the schools of the parish. While these accounts are under the supervision of the school board, they belong to the individual schools or their student bodies and are not available for use by the school board.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

Combining Schedule of Changes in Deposit Balances
 For the Year Ended June 30, 2013

SCHOOL ACTIVITY FUNDS	BALANCE JUNE 30, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012
-----	-----	-----	-----	-----
Cloutierville	\$12,983	\$23,698	(\$21,520)	\$15,161
East Natchitoches Junior High	38,674	81,648	(85,038)	35,284
Educational Center	1,255	3,957	(3,651)	1,561
Fairview-Alpha Elementary	3,555	73,693	(71,147)	6,101
Goldonna Elementary	14,992	63,354	(68,570)	9,776
Lakeview High	46,531	220,781	(212,531)	54,781
Marthaville Elementary	30,996	125,546	(122,629)	33,913
Natchitoches Central High	234,733	907,846	(871,234)	271,345
Natchitoches Magnet	56,137	99,208	(106,866)	48,479
L.P. Vaughn Elementary	33,875	65,929	(62,222)	37,582
Northwestern Elementary Laboratory	64,497	115,703	(129,820)	50,380
Northwestern Middle Laboratory	70,502	117,048	(113,627)	73,923
Parks Elementary	9,751	28,885	(33,376)	5,260
Provencal Elementary	70,235	108,602	(126,701)	52,136
Weaver Elementary	34,355	61,435	(51,525)	44,265
Total	\$723,071	\$2,097,333	(\$2,080,457)	\$739,947
	=====	=====	=====	=====

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2013

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, the members of the school board receive \$650 per month. In addition, the president may receive \$50 per month for exercising the duties of the office.

BOARD MEMBER	AMOUNT
-----	-----
Dainels, Carroll	\$8,150
Danzy, Russell E.	7,800
Graham, Henry D.	7,800
Hilton, Michael W.	7,800
Masson, Donna	7,800
Means, Carl L., Sr.	8,050
Melder, Thomas G.	7,800
Rhymes, George C.	7,800
Walker, Cecil H.	7,800
Wilson, Joella	7,800
Wilson, Ralph D.	7,800

Total	\$86,400
	=====

See independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Police Jury, Natchitoches, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the primary government and have issued my report thereon dated December 23, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the entity's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether entity's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. Although not considered to be a material area of noncompliance, I communicated the following to management of the school board:

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GAO Compliance Report
(Continued)

2013-1 **DEFICIT FUND BALANCES** -- the following Nonmajor Special Revenue Funds had deficit fund balances at June 30, 2013:

<u>Fund</u>	<u>Deficit Amount</u>
Consolidated School District (CSD) No. 6	\$3,779
Consolidated School District (CSD) No. 8	291,899

This is a repeat finding as it relates to CSD 6 and 8. Management has made progress in reducing the deficit in CSD No. 6 by approximately \$70,500 from the previous year; but, the deficit in CSD No. 8 increased by approximately \$33,000 from the previous year.

Management is aware of the condition reported previously, and is monitoring the expenditures in an attempt to eliminate these deficits.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 23, 2013

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Single Audit Act*, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

COMPLIANCE

I have audited the Natchitoches Parish School Board's, primary government, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Natchitoches Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on compliance for each of the entity's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the entity's compliance.

I believe my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide legal determination of the entity's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In my opinion, the entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
A-133 Report
(Continued)

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the entity's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance with each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

I have audited the financial statements of the Natchitoches Parish School Board, primary government, as of and for the year ended June 30, 2013, and have issued my report thereon dated December 23, 2013, with contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor financial statements and the Schedule

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
A-133 Report
(Continued)

of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 23, 2013

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Natchitoches Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

GRANTOR AGENCY	CFDA NUMBER	PASS THROUGH GRANT NUMBER	ISSUES/ EXPENDITURES

United States Department of Agriculture			

Passed through Louisiana Department of Agriculture and Forestry - Food Distribution Program	10.550		\$107,354
Passed through Louisiana Department of Education: School Breakfast Program	10.553		761,232
National School Lunch Program	10.555		2,011,375

Subtotal - Child Nutrition Cluster			2,772,606

Total United States Department of Agriculture			2,879,960

United States Department of Education			

Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010	2811T135	3,158,551
Migrant Education - State Grant Program	84.011	2811M135/2810M135/2810M135	402,219
Special Education - Grants to States	84.027	28113135	1,115,921
Vocational Education - Basic Grants to States	84.048	Carl Perkins	94,986
Special Education - Preschool Grants	84.173	2812P135	58,487
Safe and Drug-Free Schools and Communities - State Grants	84.186		2,006
Education Technology State Grants	84.318		1,491
Special Education - State Personnel Development	84.323		23,125
Rural Education	84.358	2811RE35/2812RE35	216,405
Improving Teacher Quality - State Grants	84.367	28125035	421,807
School Improvement Grants	84.377	2811TA35	2,303,626
Education Technology-State Grants (AARA)	84.386		41,896
Special Education-Grants to States (AARA)	84.391	2810B135	620

Total United States Department of Education			7,841,140

United States Department of Health and Human Services			

Passed through the Louisiana Department of Education: Temporary Assistance for Needy Families	93.558	28123635	676,897

Total United States Department of Health and Human Services			676,897

United States Department of Interior			

Direct Programs:			
Timber Sales	15.000		29,160
Payments in Lieu of Taxes	15.226		323,069

Total United States Department of Interior			352,229

United States Department of Defense			

Direct Program - ROTC	12.000		112,816

Total Federal Financial Assistance			\$11,863,043
			=====

See independent auditor's report.

HERBIE W. WAY
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NATCHITOCHE PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued.	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

The Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting which is consistent with the basis of accounting used in reporting the Governmental Funds financial statements.

The Food Distribution Program (CFDA No. 10.550) is a non-cash food commodity program.

Grant funds of CFDA No. 84.011 - Migrant Education - in the amount of \$160,814 has been passed through to other Local Educational Agencies (LEA's) in accordance with the grant agreement.

Internal Control over major programs:

Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No

The following were assessed as major programs of the school board:

Name of Federal Program	CFDA Number
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Education - Grants to States	84.027
Temporary Assistance for Needy Families	93.558

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

Dollar threshold used to distinguish between Type A and Type B Programs.	\$355,891
Auditee qualified as low risk auditee?	Yes

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 23, 2013

NATCHITOCHEs PARISH SCHOOL BOARD
Independent Accountant's Report On Applying Agreed-Upon Procedures
For the Year Ended June 30, 2013

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT ACCOUNTANT'S REPORT

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Natchitoches Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Natchitoches Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. My procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule I)

I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

Total General Fund Instructional Expenditures,
Total General Fund Equipment Expenditures,
Total Local Taxation Revenue,
Total Local Earnings on Investment in Real Property,
Total State Revenue in Lieu of Taxes,
Nonpublic Textbook Revenue, and
Nonpublic Transportation Revenue.

Findings - None.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Independent Accountant's Report
(Continued)

Education Levels of Public School Staff (Schedule II)

I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule IV) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule IV) to the combined total of principals and assistant principals per this schedule.

I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Findings - None.

Number and Type of Public Schools (Schedule III)

I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application.

Findings - None.

Experience of Public Principals and Full-time Classroom Teachers (Schedule IV)

I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings - None.

Public Staff Data (Schedule V)

I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule. I recalculated the average salaries and full-time equivalents reported in the schedule.

Findings - None.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Independent Accountant's Report
(Continued)

Class Size Characteristics (Schedule VI)

I obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings - None.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule VII - VIII)

I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Natchitoches Parish School Board.

Findings - None.

The Iowa/iLEAP Tests (Schedule IX)

I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Natchitoches Parish School Board.

Findings - None.

General

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Independent Accountant's Report
(Continued)

This report is intended solely for the use of management of Natchitoches Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 23, 2013

**NATCHITOCHES PARISH SCHOOL BOARD
NATCHITOCHES, LOUISIANA**

**SCHEDULES OF PERFORMANCE MEASURES
FOR THE YEAR ENDED JUNE 30, 2013**

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$21,108,050
Other Instructional Staff Activities	1,160,705
Employee Benefits	10,253,506
Purchased Professional and Technical Services	463,396
Instructional Materials and Supplies	557,268
Instructional Equipment	NONE

Total Teacher and Student Interaction Activities	\$33,542,925
--	--------------

Other Instructional Activities	83,634
--------------------------------	--------

Pupil Support Activities	1,812,742
--------------------------	-----------

Less: Equipment for Pupil Support Services	NONE
--	------

Net Pupil Support Activities	1,812,742
------------------------------	-----------

Instructional Staff Services	2,051,895
------------------------------	-----------

Less: Equipment for Instructional Staff Services	NONE
--	------

Net Instructional Staff Services	2,051,895
----------------------------------	-----------

School Administration	3,190,100
-----------------------	-----------

Less: Equipment for School Administration	NONE
---	------

Net School Administration	3,190,100
---------------------------	-----------

Total General Fund Instructional Expenditures	\$40,681,296
---	--------------

Total General Fund Equipment Expenditures	NONE
---	------

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$1,430,047
Renewable Ad Valorem Taxes	4,775,834
Debt Service Ad Valorem Taxes	2,552,083
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	289,843
Sales and Use Taxes	11,792,760

Total Local Taxation Revenue	\$20,840,567
------------------------------	--------------

Local Earnings on Investment in Real Property:

Earnings from 16th Section Land	\$92,772
Earnings from Other Real Property	NONE

Total Local Earnings on Investment in Real Property	\$92,772
---	----------

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$70,261
Revenue Sharing - Other Taxes	137,150

Total State Revenue in Lieu of Taxes	\$207,411
--------------------------------------	-----------

Nonpublic Textbook Revenue

NONE

Nonpublic Transportation Revenue

NONE

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated Number	Percent	Uncertificated Number	Percent	Certificated Number	Percent	Uncertificated Number	Percent
Less than a Bachelor's Degree	2	0.4%						
Bachelor's Degree	274	61.1%	9	90.0%	0	0.1%		
Master's Degree	117	26.1%	1	10.0%	8	33.3%		
Master's Degree + 30	44	9.9%			13	54.1%		
Specialist in Education	6	1.2%			2	8.3%		
Ph. D. or Ed. D.	6	1.3%			1	4.2%		
Total	448	100.0%	10	100.0%	24	100.0%	N/A	N/A

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2013

Type	Number
-----	-----
Elementary	10
Middle/Jr. High	2
Secondary	2
Combination	1

Total	15
	=====

Note: Schools opened or closed during the fiscal year are included in this school year.

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Experience of Public Principals and
Full-time Classroom Teachers
As of October 1, 2012

Type	0-1 YEAR	2-3 YEARS	4-10 YEARS	11-14 YEARS	15-19 YEARS	20-24 YEARS	25+ YEARS	Total
Assistant Principals			1	1	2	2	1	7
Principals				2	3	5	7	17
Classroom Teachers	44	45	129	56	69	36	80	458
Total	44	45	130	59	74	43	88	482

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Public School Staff Data
As of June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retiree
Average Classroom Teachers' Salary Including Extra Compensation	\$49,560	\$49,023
Average Classroom Teachers' Salary Excluding Extra Compensation	\$48,692	\$48,161
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	456.8	442.0

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Class Size Characteristics
As of October 1, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	68.22%	805	26.69%	315	5.08%	60		
Elementary Activity Classes	58.43%	97	33.13%	55	8.43%	14		
Middle/Junior High	45.39%	123	27.31%	74	27.31%	74		
Middle/Junior High Activity Classes	87.76%	43	4.08%	2	8.16%	4		
Combination	62.57%	570	18.66%	170	18.66%	170	0.11%	1
Combination Activity Classes	88.82%	143	2.48%	4	8.70%	14		

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Louisiana Educational Assessment Program
(LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students:	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	30	5.00%	15	2.46%	24	2.16%	36	6.02%	40	6.57%	39	6.52%
Mastery	96	16.00%	109	17.90%	85	14.39%	102	17.06%	110	18.06%	98	16.39%
Basic	245	41.00%	259	42.53%	243	44.78%	179	29.93%	236	38.75%	215	35.95%
Approaching Basic	138	23.00%	137	22.50%	138	20.86%	120	20.07%	139	22.82%	114	19.06%
Unsatisfactory	90	15.00%	89	14.61%	108	17.81%	161	26.92%	84	13.79%	132	22.07%
Total	598	100.00%	609	100.00%	598	100.00%	598	100.00%	609	100.00%	598	100.00%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2012		2012		2011	
Students:	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	18	3.03%	29	4.75%	16	2.67%	6	1.00%	4	0.66%	21	3.51%
Mastery	54	9.09%	86	14.10%	62	10.35%	66	11.04%	66	10.82%	62	10.35%
Basic	215	36.36%	211	34.59%	218	36.39%	251	41.97%	255	41.80%	240	40.07%
Approaching Basic	179	30.30%	186	30.49%	183	30.55%	155	25.92%	140	22.95%	142	23.71%
Unsatisfactory	126	21.21%	98	16.07%	120	20.03%	120	20.07%	145	23.77%	134	22.37%
Total	592	100.00%	610	100.00%	599	100.00%	598	100.00%	610	100.00%	599	100.00%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Louisiana Educational Assessment Program
(LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students:	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	21	4.00%	18	3.71%	14	3.03%	21	3.95%	25	5.12%	21	4.54%
Mastery	80	15.00%	79	16.29%	92	19.91%	37	6.97%	23	4.71%	19	4.10%
Basic	239	45.00%	204	42.06%	179	38.74%	276	51.98%	253	51.84%	235	50.76%
Approaching Basic	138	26.00%	138	28.45%	143	30.95%	117	22.03%	104	21.31%	114	24.62%
Unsatisfactory	53	10.00%	46	9.48%	34	7.36%	80	15.07%	83	17.01%	74	15.98%
Total	531	100.00%	485	100.00%	462	100.00%	531	100.00%	488	100.00%	463	100.00%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students:	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	16	3.00%	21	4.33%	3	0.65%	5	0.94%	10	2.06%	6	1.30%
Proficient	64	12.00%	74	15.26%	60	12.99%	48	9.06%	69	14.23%	45	9.74%
Basic	196	37.00%	154	31.75%	162	35.06%	244	46.04%	179	36.91%	178	38.53%
Approaching Basic	159	30.00%	153	31.55%	136	29.44%	127	23.96%	114	23.51%	158	34.20%
Unsatisfactory	96	18.00%	83	17.11%	101	21.86%	106	20.00%	113	23.30%	75	16.23%
Total	531	100.00%	485	100.00%	462	100.00%	530	100.00%	485	100.00%	462	100.00%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Iowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	20.88	4%	31.32	6%	21	4%	5	1%
Mastery	88.74	17%	88.74	17%	78	15%	68	13%
Basic	193.14	37%	193.14	37%	188	36%	224	43%
Approaching Basic	109.62	21%	104.4	20%	157	30%	115	22%
Unsatisfactory	109.62	21%	104.4	20%	78	15%	110	21%
Total	522	100%	522	100%	522	100%	522	100%
	English Language Ar		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	18.68	4%	19	4%	14	3%	19	4%
Mastery	60.71	13%	61	13%	56	12%	37	8%
Basic	168.12	36%	187	40%	159	34%	163	35%
Approaching Basic	112.08	24%	112	24%	163	35%	117	25%
Unsatisfactory	107.41	23%	89	19%	75	16%	131	28%
Total	467	100%	467	100%	467	100%	467	100%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Iowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	21	4%	48	9%	15.87	3%	42	8%
Mastery	85	16%	68	13%	84.64	16%	42	8%
Basic	254	48%	212	40%	195.73	37%	217	41%
Approaching Basic	111	21%	85	16%	163.99	31%	148	28%
Unsatisfactory	58	11%	111	21%	68.77	13%	79	15%
Total	529	100%	523	100%	529	100%	529	100%
	English Language Ar		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	28	6%	28	6%	14	3%	14	3%
Mastery	66	14%	47	10%	71	15%	57	12%
Basic	228	48%	242	51%	180	38%	218	46%
Approaching Basic	123	26%	90	19%	147	31%	104	22%
Unsatisfactory	33	7%	66	14%	62	13%	76	16%
Total	479	100%	474	100%	474	100%	469	100%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Iowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	11	2%	37	7%	17	3%	7	1%
Mastery	95	18%	86	16%	89	17%	88	17%
Basic	184	35%	181	35%	178	34%	182	35%
Approaching Basic	111	21%	101	19%	149	29%	109	21%
Unsatisfactory	122	23%	118	23%	89	17%	136	26%
Total	523	100%	523	100%	522	100%	522	100%

	English Language Ar		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	18	4%	34	7%	27	6%	16	3%
Mastery	62	13%	55	12%	63	14%	49	11%
Basic	180	39%	201	44%	165	36%	193	42%
Approaching Basic	124	27%	87	19%	143	31%	109	24%
Unsatisfactory	76	17%	83	18%	63	14%	94	20%
Total	460	100%	460	100%	461	100%	461	100%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, LouisianaIowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	17	3%	36	7%	23	5%	28	6%
Mastery	70	14%	42	8%	64	13%	50	10%
Basic	242	49%	231	47%	195	39%	174	35%
Approaching Basic	115	23%	78	16%	148	30%	143	29%
Unsatisfactory	52	10%	109	22%	65	13%	99	20%
Total	496	100%	496	100%	495	100%	494	100%
	English Language Ar		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	12	3%	28	6%	14	3%	8	2%
Mastery	57	12%	43	9%	80	18%	67	15%
Basic	237	52%	219	48%	153	34%	189	41%
Approaching Basic	113	25%	115	25%	152	33%	121	27%
Unsatisfactory	39	9%	54	12%	57	13%	71	16%
Total	458	100%	459	100%	456	100%	456	100%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, LouisianaIowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1%	17	4%	8	2%	9	2%
Mastery	37	10%	33	9%	46	12%	39	10%
Basic	178	46%	197	51%	161	42%	178	46%
Approaching Basic	101	26%	75	20%	107	28%	83	22%
Unsatisfactory	63	16%	61	16%	61	16%	74	19%
Total	383	100%	383	100%	383	100%	383	100%
	English Language Ar		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	21	4%	39	8%	23	5%	15	3%
Mastery	78	16%	38	8%	61	12%	51	10%
Basic	198	40%	212	43%	172	35%	215	44%
Approaching Basic	124	25%	97	20%	162	33%	121	25%
Unsatisfactory	72	15%	107	22%	75	15%	91	18%
Total	493	100%	493	100%	493	100%	493	100%

See independent auditor's report.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Iowa and iLEAP
For the Year Ended June 30, 2013

	English Language Ar		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	14	3%	32	6%	19	4%	24	5%
Mastery	56	11%	48	9%	60	12%	48	10%
Basic	245	46%	225	43%	235	48%	201	41%
Approaching Basic	115	22%	108	21%	130	26%	125	25%
Unsatisfactory	62	12%	79	15%	48	10%	94	19%
Total	492	93%	492	94%	492	100%	492	100%

	English Language Ar		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
District Achievement Level Results	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	23	5%	24	5%	10	2%	14	3%
Mastery	67	14%	43	9%	61	13%	48	10%
Basic	216	45%	237	50%	187	38%	222	46%
Approaching Basic	139	29%	107	23%	157	32%	115	24%
Unsatisfactory	38	8%	75	16%	71	15%	87	18%
Total	483	101%	486	103%	486	100%	486	100%

See independent auditor's report.